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Department of Commerce

Division of Securities

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

WAYNE KLEIN
Director, Division of Securities

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MEDIA ALERT

Division of Securities warns Seniors to watch for "Free Lunch" Seminars

"Division employees to offer tips to protect seniors at Senior Expo, October 19-20th"
(For immediate release...)

SALT LAKE CITY, Utah – The Division of Securities announced today that a national study has shown that senior citizens are the target of most "free lunch" investment seminars. A year long investigation into 110 securities firms that sponsored senior sales seminars and free lunches conducted by the Securities Exchange Commission, Financial Industry Regulatory Authority (FINRA) and state securities regulators from the North American Securities Administrators Association (NASAA) discovered the following;

- 100% of the so-called educational "seminars" were sales presentations
- 59% reflected weak supervisory practices by securities firms
- 50% featured exaggerated or misleading advertising claims
- 23% involved suspected unsuitable recommendations to attendees
- 13% appeared to be fraudulent and have been referred to state regulators for enforcement or disciplinary action.

The study also found most free lunch seminars are marketed to seniors and are routinely held at high-end hotels, restaurants, golf courses and retirement properties. A FINRA report found that 78% of senior citizens have received at least one free lunch seminar invitation and 60% or more have received at least six invitations in the past three years.

"Seniors and their loved ones need to be vigilant about unsuitable investment offers which seek to misuse their hard-earned savings," said Wayne Klein, Director of the Division of Securities, "Our Division can help seniors make educated decisions before they hand over their money."

In an effort to educate senior citizens about investment fraud, the Utah Division of Securities is sponsoring an exhibitor's booth at this year's Senior Expo at the South Towne Exposition Center in Sandy, Utah. From Friday October 19th through Saturday October 20th, Division employees will be handing out tips on how to avoid investment fraud and explaining how to use the Divisions' services to find out whether stockbrokers, investment advisers or investments are registered with the State. In addition, Senior Expo goers can take an investment fraud quiz and enter a drawing to win various prizes.

For more information, investors can contact the Division of Securities by calling (801) 530.6600; toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

For more information contact:

Jennifer Bolton

Public Information Officer

Utah Department of Commerce

(801) 530-6646 office

(801) 652-8322 cell